

1 they charge us.

2 MS. DAILEY: So I guess that means that
3 there is an expedite charge in Verizon's proposed
4 schedule A, Verizon's portion of proposed schedule
5 A; correct?

6 MR. CLIFT: That's correct. I'm just --
7 let me just -- until I look at precisely, because
8 you know -- the expedite charge and the charges for
9 all UNEs in general, with the exception of DSL and
10 perhaps just a couple others, were set in the docket
11 that Mr. Perkins referenced, PUC97-0005.

12 MS. DAILEY: The expedite charge is in
13 that?

14 MR. CLIFT: Yes. Expedite charges were
15 set by the commission in that docket.

16 MS. DAILEY: Let me ask you, if you
17 wouldn't mind, just to point me -- this is the
18 document that we referenced this morning. Were you
19 here for this morning?

20 MR. CLIFT: Yes.

21 MS. DAILEY: This is the proposed schedule
22 A that Cavalier filed in August, August 1.

1 MR. CLIFT: Yes.

2 MS. DAILEY: Is it possible for you to
3 find the expedite charge?

4 MR. CLIFT: I will --

5 MS. DAILEY: This is going to be Verizon's
6 portion.

7 MR. CLIFT: No, I understand.

8 (Witness reviewed the document.)

9 MR. CLIFT: At first glance, I don't see
10 it in here, but that is a charge that we're being
11 charged today pursuant to the docket that I just
12 referenced.

13 MS. DAILEY: Okay. Now, let me ask
14 another question. The testimony -- the written
15 testimony that's been submitted on these charges
16 that Cavalier proposes to charge Verizon have
17 focused on win-backs and premises visits. There's
18 three more categories of services that Cavalier is
19 proposing.

20 I haven't seen any testimony on this. Is
21 Verizon opposed to these kinds of charges?

22 MS. NEWMAN: These other charges? Yes.

1 MS. DAILEY: Okay, you are.

2 MR. CLIFT: I would like to comment on
3 that. I assume you're referring to --

4 MS. DAILEY: "Cavalier collocation
5 services, Cavalier operation support systems, and
6 all other Cavalier services available to Verizon for
7 purposes of effectuating local exchange
8 competition."

9 MR. CLIFT: I don't think those items are
10 in dispute in this part of this arbitration.

11 MS. NEWMAN: I think I misunderstood your
12 question. I didn't want you to -- I thought you
13 were talking about the other charges listed above.

14 MS. DAILEY: So these are not disputed,
15 these last three categories?

16 MS. NEWMAN: Not to my knowledge, I'm
17 sorry.

18 MS. DAILEY: Okay, great.

19 Let me ask you, you've got three charges
20 down at the bottom, prem visits for new loops, hot
21 cuts and maintenance and missed appointments; is
22 that correct?

1 MR. CLIFT: That's correct.

2 MS. DAILEY: And actually, the heading is
3 missing here, but I'm assuming that the right-hand
4 schedule -- the right-hand column is a nonrecurring
5 charge and the left column is going to be a
6 recurring charge? The left column, which is marked
7 "Not applicable." That's correct; right?

8 MR. CLIFT: Yes, ma'am, that's correct.

9 MS. DAILEY: So what -- for a missed
10 appointment, does -- is the sole charge that
11 Cavalier is proposing to charge \$50, or is it \$50 in
12 addition to the 47.55?

13 MR. CLIFT: It's a \$50 stand-alone charge
14 for a missed appointment, and we generally wait,
15 there's a grace period that we usually allow for
16 every appointment we go on that's typically quarter
17 of an hour, so there's an additional charge on top
18 of that. So it's \$66 for a missed appointment, the
19 50 plus 16.

20 MR. LERNER: That would be if you waited
21 45 minutes, for 50 plus 16 for the first --

22 MR. CLIFT: No, going to the site is 50

1 alone, and then waiting 15 minutes and a no-show is
2 an extra 16.

3 MR. LERNER: But it says \$16 for each
4 quarter hour after the first half hour's delay. So
5 you go out there, for \$50 you'll go out there and
6 wait for half hour, typically you wait another 15
7 minutes, so that's another \$16, and then you leave?

8 MR. CLIFT: Right, I'm sorry.

9 MR. LERNER: At least that's what you're
10 proposing.

11 MS. DAILEY: And these charges are also,
12 the 47.55 and -- well, is the \$47.55 charge, does
13 that come out of Verizon's proposed schedule A of
14 charges?

15 MR. CLIFT: Yes.

16 MS. DAILEY: I'm going to direct your
17 attention on schedule -- the document that we were
18 looking at this morning and that we were just
19 looking at, page 170, are we looking at unbundled
20 loops, two-wire analog loops, installation? Is that
21 where these rates came from?

22 MR. CLIFT: Yes.

1 MS. DAILEY: I think that there's a
2 discrepancy between one of the rates that you're
3 proposing and what's on that charge, on that sheet.

4 MR. CLIFT: Okay.

5 MS. DAILEY: I see -- maybe I'm wrong.
6 There's a discrepancy somewhere, but it may not be
7 on that. Okay, it's 268. So there's a discrepancy
8 in, I believe, your testimony -- no, it's
9 Mr. Ferrio's testimony, which states that the
10 install charge would be 288, but we're actually
11 talking about a 268 charge. I just wanted to make
12 sure that's correct. That's correct?

13 MR. CLIFT: Right, uh-huh.

14 MS. DAILEY: Verizon, Ms. Clayton, let me
15 ask you a question.

16 Apparently, Cavalier tried to file a
17 tariff with some rates, these corresponding rates on
18 it.

19 And maybe Mr. Agro, you're the person to
20 ask, I'm not sure.

21 And the Virginia commission said these
22 rates belong in an interconnection agreement. Do

1 you agree that these rates belong in an
2 interconnection agreement?

3 MS. CLAYTON: I don't believe so. I don't
4 agree.

5 MS. DAILEY: Where do you think they
6 belong?

7 MS. CLAYTON: First of all, which rates
8 specifically are we talking about?

9 MS. DAILEY: I think that the rates were
10 the rates for the missed appointments and the
11 premises visits, et cetera. Am I correct? Is that
12 what the --

13 MR. CLIFT: Correct. Yes, the rates --
14 yeah, we're just talking about the rates in Exhibit
15 AW-1.

16 MS. DAILEY: But -- well, let me back up,
17 then.

18 Mr. Clift, your Exhibit 11 is a letter
19 from the Commonwealth of Virginia, which was sent on
20 January 27, 2003. And it -- the letter begins,
21 "Staff is returning as unacceptable Cavalier's
22 January 21, 2003 filing that proposed UNE loop

1 service charges."

2 And then it says down at the bottom, "If
3 these charges apply to loop supplier, such charges
4 should be in the appropriate interconnection
5 agreement, not a CLEC tariff."

6 What were the charges that you tried to
7 file here?

8 MR. CLIFT: The exact same ones you see in
9 AW-1.

10 MS. DAILEY: Okay, what we were just
11 talking about.

12 Do you want to see a copy of AW-1?

13 MS. CLAYTON: Sure, thank you.

14 MS. DAILEY: These are the charges that
15 we're talking about.

16 MS. CLAYTON: Thank you.

17 MS. DAILEY: This is the language, and
18 those are the charges.

19 MS. CLAYTON: I guess my biggest issue
20 with these charges that Cavalier is proposing adding
21 to the interconnection agreement are based on a
22 couple of things.

1 First of all, Verizon said we do not
2 charge for win-backs, so it appears as if --

3 MS. DAILEY: Okay. If we could, shorten
4 your testimony about win-backs and move -- we've
5 spent a fair amount of time on that. I mean, you
6 can give me, you know, a little bit on win-backs,
7 but I would actually like to talk about the other
8 things that were the subject of the proposed tariff.

9 MS. CLAYTON: Cavalier has charges in here
10 that are normally associated with Verizon providing
11 Cavalier unbundled loops. Verizon does not purchase
12 unbundled loops from Cavalier, so I don't believe
13 that those charges are appropriate at all.

14 MS. DAILEY: Why don't you believe that
15 they're appropriate?

16 MS. CLAYTON: Verizon does not --

17 MS. DAILEY: Can you be more specific?

18 MS. CLAYTON: We simply don't get our
19 facilities from Cavalier.

20 MS. SHETLER: So now here's a question I
21 would like you to answer, slightly different angle.

22 Verizon, as I understand what has been

1 testified to here, Verizon has a charge that it
2 assesses to Cavalier when Cavalier misses an
3 appointment. One of the charges in here is a charge
4 to assess Verizon when Verizon misses an
5 appointment. Can you explain why Cavalier should
6 not be compensated when it makes an appointment with
7 Verizon and Verizon does not show on time for that
8 appointment, when Verizon assesses what appears to
9 be a reciprocal charge on Cavalier?

10 MS. CLAYTON: Thank you. I believe
11 Mr. Agro can help me out here, but the missed
12 appointment charges are handled in another manner
13 under our performance metrics, so we feel like we do
14 pay penalties for missed appointments already, when
15 they reach a certain level. To have it included
16 here would be almost a double recovery to us.

17 MS. SHETLER: Do Cavalier's missed
18 appointments have to reach a certain level before
19 they are assessed a charge?

20 MS. CLAYTON: I'll turn that over to
21 Mr. Agro.

22 MR. AGRO: Performance assurance plan,

1 which is in place in Virginia, several different
2 layers of incentive payments.

3 MS. SHETLER: I'm sorry, I asked a
4 question about charges assessed on Cavalier.

5 MR. LERNER: If Cavalier misses one
6 appointment, do they get charged, or is there some
7 sort of threshold that they only get charged once
8 they have missed a certain number?

9 MS. CLAYTON: I don't know that.

10 MR. AGRO: I'm not sure.

11 MS. SHETLER: That's the question.

12 MS. DAILEY: It's in the interconnection
13 agreement, and it doesn't say anything about -- I
14 mean, is there any reason for you to believe that
15 Cavalier would not be charged for its first missed
16 appointment?

17 MS. CLAYTON: I don't know that. I'd have
18 to check.

19 MS. DAILEY: Will you check and --

20 MS. CLAYTON: Yes, we will.

21 MS. DAILEY: Okay, thank you.

22 MS. CLAYTON: Did you want us to get into

1 the issue about the performance, the metrics?

2 MS. DAILEY: No, no, not now, thank you.

3 So I guess your testimony is that you
4 don't think these charges should be assessed; it's
5 really not an issue of where they go; is that
6 correct? In other words, it's not a question of
7 whether they go in tariff or interconnection
8 agreement; you don't think the charges should be
9 assessed at all; correct?

10 MS. CLAYTON: That's correct. I believe
11 charges typically from CLECs to Verizon, if there
12 were any, would be in a tariff, not in an
13 interconnection agreement.

14 MS. DAILEY: And why is that?

15 MS. CLAYTON: I don't know why exactly,
16 but this is an interconnection agreement of charges
17 that Verizon bills to CLECs. I've never seen
18 reciprocal-type charges in our interconnection
19 agreements.

20 MR. LERNER: But assuming you could reach
21 an agreement on their payment and how much they
22 might be, wouldn't an interconnection agreement be

1 an appropriate place to put them?

2 MS. CLAYTON: I don't know if I can answer
3 that.

4 MS. DAILEY: Let me ask some questions of
5 Cavalier on this subject. Ms. Webb, I believe on
6 page 3 of your direct testimony -- do you have your
7 direct testimony?

8 I want to make sure I'm giving you the
9 right information. Lines 20 to 22. I think I'm
10 actually citing from your rebuttal maybe.

11 MR. LERNER: Was her testimony the one
12 that was mislabeled, didn't indicate rebuttal on it,
13 Ms. Newman?

14 MS. NEWMAN: I thought you were talking
15 about Ms. Webb.

16 MR. LERNER: Oh, Ms. Webb. Sorry, strike
17 that.

18 MS. DAILEY: Page 3, lines 20 to 22,
19 rebuttal. Then if you would read the top of page 4,
20 lines 2 to 4, I'm going to ask you about those
21 lines.

22 (Witness reviewed the document.)

1 MS. WEBB: Okay.

2 MS. DAILEY: You testify, "My
3 understanding is that Verizon agreed to arbitrate
4 the issue of truck rolls. And the proposed
5 interconnection agreement already includes some
6 charges for other services provided by Cavalier to
7 Verizon."

8 What are those other services that are
9 contained in the interconnection -- the proposed
10 interconnection agreement?

11 MS. WEBB: I'm sorry, can you repeat it?
12 You're on page 4; right?

13 MS. DAILEY: I'm actually on the bottom of
14 page 3. "My understanding is that Verizon already
15 agreed to arbitrate this issue, and the proposed
16 interconnection agreement already includes some
17 charges for other services provided by Cavalier to
18 Verizon."

19 MS. WEBB: Correct.

20 MS. DAILEY: My question is, what are the
21 services provided by Cavalier to Verizon that are
22 contained in the interconnection agreement that are

1 agreed to?

2 (Witness reviewed the document.)

3 MS. WEBB: I believe I'm referring to the
4 PAP here, but I know it says interconnection
5 agreement. You're talking about charges that
6 Cavalier --

7 MS. DAILEY: That Cavalier assessed on
8 Verizon. We're talking about whether or not
9 Cavalier charges to Verizon belong in an
10 interconnection agreement.

11 MS. SHETLER: Charge for services.

12 MR. CLIFT: Ms. Daley, I think I can
13 really help here.

14 MS. DAILEY: This is not your testimony,
15 but please fill in.

16 MR. CLIFT: I understand that, but it's
17 part of the panel now, so I think it's fair game.

18 MS. DAILEY: Okay.

19 MR. CLIFT: The services very briefly. We
20 provide access services, we provide termination --

21 MS. DAILEY: Under the interconnection
22 agreement.

1 MR. CLIFT: Yes. Yes.

2 MS. DAILEY: Okay.

3 MR. CLIFT: That's covered in Exhibit A-1,
4 section -- the Roman numeral doesn't seem to be
5 right, but it should be VII. There's no --

6 MS. DAILEY: Exhibit A being the pricing
7 schedule?

8 MR. CLIFT: Yes, ma'am. It's just an
9 AW-1. The services that we provide are identified.
10 I mean, section 7 there is kind -- kind of
11 encompasses a lot of different things, but we
12 provide access services pursuant to the
13 interconnection agreement, we provide recip comp
14 pursuant to the interconnection agreement, we
15 provide transport for the Verizon's use of our
16 transport facilities pursuant to interconnection
17 agreement.

18 MS. DAILEY: These are all prices that are
19 contained in this document?

20 MR. CLIFT: We provide collocation
21 services pursuant to the interconnection agreement,
22 and we're hoping we can provide some -- get

1 compensated for these additional functions that we
2 provide for Verizon.

3 MS. DAILEY: Okay. I just want to make
4 sure I understood what you said. Are these -- now I
5 can't find my exhibit. AW-1. Are the services that
6 you're talking about contained in section -- page 2
7 of AW-1? Are those the provisions, or are there
8 additional ones?

9 MR. CLIFT: No, those -- those -- really,
10 I mean, I guess -- those are the services, but if
11 you look at what's supposed to be VII, but it
12 doesn't -- that's a mistake obviously, there's no --
13 but VII really, that's kind of a catchall to take
14 into account the transport functions, the access
15 functions and the recip comp functions. So section
16 VII is kind of a catchall, but other sections in the
17 contract specifically identify access, recip comp
18 and transport.

19 MS. DAILEY: Maybe you can just mention
20 those when you brief this issue.

21 MR. PERKINS: I think that would be of
22 assistance for you.

1 MS. DAILEY: On the top of page 4,
2 Ms. Webb also testifies that "Verizon has already
3 agreed to pay Cavalier for work that Cavalier
4 performs that is comparable to Verizon's work in
5 processing customer conversions to Cavalier."

6 My question is, either for answering now
7 or for briefing, where in the contract is that
8 agreement? Okay? Do you know?

9 MR. CLIFT: Well, I mean, I'd need to read
10 it. What was the question again?

11 MR. PERKINS: May I interject briefly?
12 It's not in the interconnection agreement. It's in
13 the settlement agreement that led to the
14 interconnection arbitration.

15 MS. DAILEY: So that's not in the record
16 in this case?

17 MR. PERKINS: No, it's not. It's a
18 confidential settlement.

19 MS. DAILEY: Very good.

20 MR. PERKINS: It is, however, listed on
21 the schedule of issues as submitted to the FCC as
22 resolved.

1 MS. DAILEY: All right.

2 MR. CLIFT: I'll give you a short answer
3 on this, on the win-back thing specifically, is
4 that -- and again, it's prior to filing our
5 arbitration request to the FCC, we thought we had
6 agreement with Verizon for them to accept our
7 charges to them for win-backs, and it was only
8 subsequent to that, right before the filing, that
9 Verizon said, yeah, I agree with your charges, but
10 your charges should be zero.

11 And we said, well, it looks like we need
12 to throw that back in the FCC arbitration.

13 So that's why win-backs -- win-backs are
14 now in this FCC arbitration, and that statement was
15 referring to the win-back, but we don't have
16 agreement on that.

17 MS. DAILEY: Okay. Cavalier, is this
18 truck roll issue a problem when Verizon is
19 delivering any kind of a loop? Is it a problem with
20 loops of all kinds?

21 MS. WEBB: It's typically -- it's our POTS
22 services.

1 MS. DAILEY: Okay. So I know that Verizon
2 testifies that it has something called the
3 cooperative testing program for digital or xDSL
4 loops, but that's not of any use to you?

5 MS. WEBB: I have no idea what it is, and
6 I've never heard of it before.

7 MS. DAILEY: Is that something that would
8 work for POTS?

9 MS. CLAYTON: Cooperative testing was put
10 in place for CLECs who are providing data to their
11 end users, and it's been our experience that the
12 loops Cavalier is using, they're using those for
13 both voice and data. Cooperative testing was set up
14 in conjunction with the DSL loops and the
15 provisioning of DSL loops.

16 MS. DAILEY: Does Verizon assess a charge
17 for this cooperating testing program?

18 MS. CLAYTON: Yes, there is a charge for
19 cooperating testing.

20 MS. DAILEY: I think that charge may have
21 been disallowed in the Virginia arbitration, but
22 it's still something that Cavalier might look at in

1 connection with this issue.

2 Can Cavalier explain the circumstances
3 that would occur when a Cavalier technician makes a
4 premises visit for maintenance and repair of a
5 defective loop when Verizon did not clear the
6 trouble?

7 I think that's one of the categories and
8 the testimony wasn't clear to me as to exactly how
9 that occurs, what kind of a problem, that is,
10 exactly.

11 MS. WEBB: When we receive the demark
12 information from Verizon stating that the loop has
13 been delivered, we test call and try to reach the
14 customer to confirm that dial tone has been
15 delivered. One of two things happens. Either we're
16 not able to reach that customer, or the customer
17 confirms that the services either are there or are
18 not there.

19 If we cannot reach the customer or the
20 customer says I don't have dial tone, we dispatch a
21 tech, a truck roll. We send our technician to the
22 central office to check that dial tone is leaving

1 that point, and then they go to the customer's prem
2 to see that dial tone has been delivered to the
3 demark location.

4 MS. DAILEY: Let me stop you and ask, is
5 this different from -- is maintenance and repair
6 different from service installation? I'm asking
7 about maintenance and repair.

8 MS. WEBB: Well, what's happening today is
9 that on the demark -- what's happening today is that
10 when Verizon sends us this demark information, they
11 close -- the RCC installation side of the house,
12 closes the order out. It's considered close.

13 So when the loop has not been delivered,
14 then Cavalier has to go to the maintenance side of
15 the house to open up that trouble ticket with
16 Verizon to dispatch their technician out to
17 establish dial tone for the customer, even though
18 Verizon initially said services should already be
19 there.

20 MS. DAILEY: So this is -- I mean it's
21 essentially a new service problem.

22 MS. WEBB: This is brand-new service,

1 correct.

2 MS. DAILEY: It's not a problem that
3 would -- the maintenance premises visit is not
4 anything that's different from the new service
5 problem?

6 MS. WEBB: Well, what --

7 MR. CLIFT: I mean, trying to
8 short-circuit this a little bit, Verizon is
9 installing the new loop. The new loop doesn't work.
10 To get the loop to work, we have to order -- we have
11 to really report that through maintenance, through
12 trouble.

13 So it's -- so if the new loop is not
14 working, in order to get it working, we have to open
15 up a maintenance trouble ticket.

16 MS. DAILEY: Okay.

17 MS. WEBB: Which Verizon bills us for.

18 MS. DAILEY: Let me actually ask one
19 question about the win-back issue. Suppose in the
20 circumstance where Cavalier has a customer and the
21 customer has decided to move to another service
22 provider. The other service provider is not Verizon

1 but is AT&T or MCI or Acme telephone company. Would
2 Cavalier assess a fee for win-back of the same
3 nature that it's proposing to charge Verizon?

4 MR. CLIFT: We would like to, but we --
5 that would have to be embodied in an interconnection
6 agreement with those other carriers. Right now we
7 don't have any interconnection agreement with any
8 carrier, Verizon, MCI, Allegiance, U.S. LEC, anyone,
9 where we have the authority to charge for win-backs.

10 MS. SHETLER: One question also with
11 regard to the win-backs. There is, I know, a list
12 of various functions that is in some of Cavalier's
13 testimony with a list of what is done on each side.

14 Can you explain for the record what --
15 which of these functions are sort of outside of
16 Cavalier's internal functions? Like in terms of
17 Cavalier's internal records, Cavalier's taking
18 someone out of your database; which functions are
19 necessary for you to perform in order for the
20 service to transition smoothly back -- for the
21 customer to move back onto Verizon network?

22 MR. FERRIO: Sure, I'll be glad to. We

1 receive an LSR/ASR from Verizon requesting the
2 customer be transferred back to Verizon, or any
3 other carrier, for that matter. At that point, we
4 get that -- they fax it to us or e-mail it to us, we
5 enter it into our OSS system, and we give them a FOC
6 date back, and then we have to issue a disconnect,
7 and we remove the translations from the switches so
8 it goes through our whole internal process.

9 MS. SHETLER: When you say issue a
10 disconnect, do you mean the same thing that Verizon
11 said?

12 MR. FERRIO: No, I don't. It flows
13 through our system. Once it goes through our OSS
14 and through our translations department to remove
15 the translations from the switches, goes to our
16 billing department so we ensure that the billing
17 stops to our customer, then it comes back to us,
18 back into the assignment department. We have to
19 issue a disconnect order to Verizon again, we have
20 to issue an LSR to Verizon to have them disconnect
21 that UNE loop, and then we get charged again for
22 that.